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THOMAS F. MCFARLAND

August 30, 2012

By UPS overnight mail

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20024

232898

Re: Finance Docket No. 35670, *Iowa Traction Railway Company -- Acquisition and Operation Exemption -- Rail Line of Iowa Traction Railroad Company in Cerro Gordo County, IA*

Dear Ms. Brown,

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption Under 49 C.F.R. § 1150.31 for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,800 for the filing fee.

ENTERED
Office of Proceedings

AUG 31 2012

Part of
Public Record

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

C:\McFarland\p\35670\tr\S111

FEE RECEIVED

AUG 31 2012

SURFACE
TRANSPORTATION BOARD

FILED

AUG 31 2012

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA TRACTION RAILWAY)	
COMPANY -- ACQUISITION AND)	
OPERATION EXEMPTION -- RAIL LINE)	FINANCE DOCKET
OF IOWA TRACTION RAILROAD)	NO. 35670
COMPANY IN CERRO GORDO)	
COUNTY, IA)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

IOWA TRACTION RAILWAY COMPANY
21778 Highview Avenue, Suite 203
Lakeville, MN 55044

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

Date Filed: August 31, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA TRACTION RAILWAY)	
COMPANY -- ACQUISITION AND)	FINANCE DOCKET
OPERATION EXEMPTION -- RAIL LINE)	NO. 35670
OF IOWA TRACTION RAILROAD)	
COMPANY IN CERRO GORDO)	
COUNTY, IA)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

Pursuant to the class exemption at 49 C.F.R. § 1150.31 *et seq.*, IOWA TRACTION RAILWAY COMPANY (Railway), a noncarrier, hereby provides notice of its exemption from 49 U.S.C. § 10901 for its acquisition from Iowa Traction Railroad Company (Railroad) and operation of a rail line between Milepost 0.0 at Mason City and Milepost 10.4 at Clear Lake, a distance of 10.4 miles in Cerro Gordo County, IA (the Rail Line).^{1/} The Rail Line is shaded in yellow on a map attached hereto as Appendix 1.

This proceeding is related to Finance Docket No. 35671, *Progressive Rail Incorporated -- Continuance in Control Exemption -- Iowa Traction Railway Company* in which Progressive Rail Incorporated (PGR) is filing a notice of class exemption under 49 C.F.R. § 1180.2(d)(2) for its continuance in control of Railway when Railway becomes a rail carrier in this proceeding.

^{1/} The acquisition and operation includes all side tracks, spur tracks, connections and other rail properties associated therewith, as well as all trackage rights, operating rights, and joint use rights held or used by Railroad in conjunction with such tracks and properties.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.33

(a) The full name and address of the applicant;

Applicant is Iowa Traction Railway Company, 21778 Highview Avenue, Lakeville, MN 55044.

(b) The name, address, and telephone number of the representative of the applicant who should receive correspondence.

Applicant's representative is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached,

An agreement has been reached between Railroad and Railway for Railway to acquire and operate the Rail Line.

(d) The operator of the property;

The operator of the property will be Railway.

(e) A brief summary of the proposed transaction, including:

(1) The name and address of the railroad transferring the subject operating authority.

The railroad transferring the operating authority is Iowa Traction Railroad Company, P.O. Box 308, Mason City, IA 50402-0309.

(2) The proposed time schedule for consummation of the transaction,

The transaction will be consummated no sooner than 30 days after filing of this notice with the Board.

(3) The mile-posts of the subject property, including any branch lines, and

The Rail Line extends between Milepost No. 0.0 at Mason City and Milepost 10.4 at Clear Lake in Cerro Gordo County, IA

(4) The total route miles being acquired;

A total of 10.4 route miles will be acquired and operated.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States; and

Attached to this notice as Appendix 1 is a map on which the rail line has been shaded in yellow.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier

Attached to this notice as Appendix 2 is a certificate that Railway's projected revenues do not exceed those that would qualify it as a Class III rail carrier.

VERIFICATION

Appendix 2 attached to this Notice also contains a verification of the statements made in this Notice.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transaction. Pursuant to 49 C.F.R. § 1105.8(b)(2), no historic documentation or report is required for the proposed transaction.

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10901(c), no labor protection is required for the proposed transaction.

CAPTION SUMMARY

Attached to this notice as Appendix 3 is a caption summary required by 49 C.F.R. § 1150.34.

LAND GRANT RIGHT-OF-WAY

Applicant is not aware of any land grant right-of-way in the rail line.

ANNUAL REVENUES LESS THAN \$5 MILLION

Appendix 2 attached to this Notice also contains a certification that Railway's annual revenues are not projected to exceed \$5 million.

NO INTERCHANGE COMMITMENTS

The proposed acquisition and operation do not involve any interchange commitments.

CONCLUSION

WHEREFORE, the Board should publish notice of the exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

IOWA TRACTION RAILWAY COMPANY
21778 Highview Avenue, Suite 203
Lakeville, MN 55044

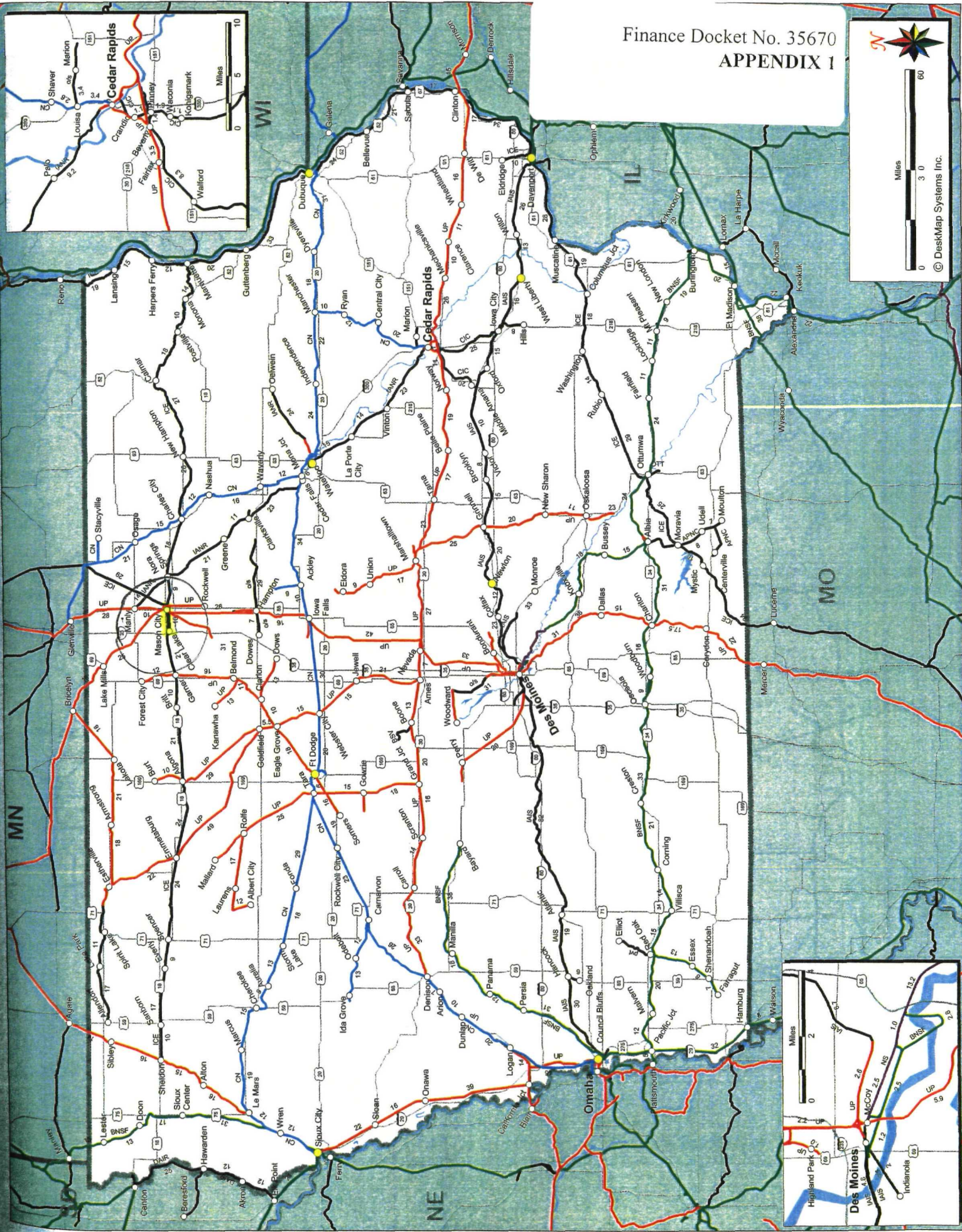
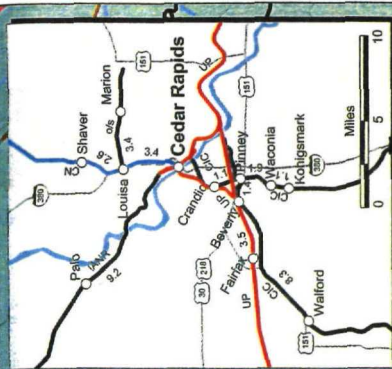
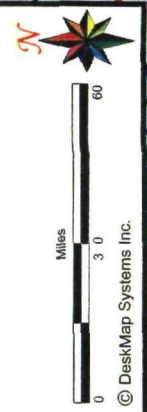
Applicant



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mcfarland@aol.com

Attorney for Applicant

Date Filed: August 31, 2012



CERTIFICATION

LON VAN GEMERT, on oath, states that he is an authorized representative of Iowa
Traction Railway Company (Railway) and that:

- (1) Railway's projected revenues do not exceed those that would qualify it as a Class
III rail carrier;
- (2) Railway's projected annual revenues by virtue of this acquisition and operation
would not exceed \$5 million; and
- (3) that all factual assertions in this Notice of Exemption are true and correct



Lon Van Gemert

SUBSCRIBED and SWORN
to before me this 29th
day of August, 2012.



Notary Public

My commission expires: 1/31/2016



CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(Finance Docket No. 35670)

**IOWA TRACTION RAILWAY COMPANY -- ACQUISITION
AND OPERATION EXEMPTION -- RAIL LINE OF
IOWA TRACTION RAILROAD COMPANY IN
CERRO GORDO COUNTY, IA**

Iowa Traction Railway Company (Railway), a noncarrier, has filed a notice of exemption to acquire from Iowa Traction Railroad Company (Railroad) and to operate a rail line between Milepost No. 0.0 at Mason City and Milepost 10.4 at Clear Lake, a distance of 10.4 miles in Cerro Gordo County, IA. The transaction was to be consummated no sooner than 30 days after the filing of the notice of exemption.

This proceeding is related to Finance Docket No. 35671 in which Progressive Rail Incorporated (PGR) has concurrently filed a notice of exemption for its continuance in control of Railway when Railway becomes a rail carrier upon consummation of the transaction described in this notice.

Any comments must be filed with the Board and must be served on applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

This notice of exemption is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

(SFAL)

By the Board